

RECEIVED & FILED

JAMES W. SHAW

'11 JUL 13 PM 4:42

14225 Prairie Flower Ct.
Reno, NV 89511
7758517429
jshawnv@pyramid.net

IP 21.001

July 10, 2011

Hon. Linda B. Riegler
Foley Federal Bldg.
300 Las Vegas Blvd. South
Las Vegas, NV 89101

Your Honor,

I am responding to an objection by USACM Liquidating Trust to my claim of investment in the Margarita Annex loan. This objection is filed by lawyers Lewis and Roca on behalf of USACM Liquidating Trust. While not disputing the validity of the loan, the disallowance of my claim is sought based upon, "you took known and obvious risk in making that investment and USACM did not guarantee repayment of that loan". I submit that at the time the loan was offered to investors in 2002, USACM had a stellar reputation in the commercial loan business and was extremely highly rated and known to be conservative in their offerings. The Margarita Annex loan had a loan to value of approximately 64% which is not a high risk. There were six amendments to the loan. I have reread the entire loan documents and no where is there a warning of high risk. I ask that the court not disallow my claim. In support, I include proof of claim. I also include the letter from Lewis and Roca.

Sincerely,

James W. Shaw



Cc: Lewis and Roca

PROOF OF CLAIM			
Name of Debtor USACM		Case Number	
NOTE See Reverse for List of Debtors and Case Numbers This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court or BMC Group in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Name of Creditor and Address: <div style="background-color: black; width: 150px; height: 15px; margin-bottom: 5px;"></div> 11321241000714 JAMES W SHAW IRA 14225 PRAIRIE FLOWER CT RENO NV 89511-6710		DO NOT FILE THIS PROOF OF CLAIM FOR A SECURED INTEREST IN A BORROWER THAT IS NO ONE OF THE DEBTORS If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again. THIS SPACE IS FOR COURT USE ONLY	
Creditor Telephone Number (775) 851-7429		Last four digits of account or other number by which creditor identifies debtor 1779	
1 BASIS FOR CLAIM <input type="checkbox"/> Goods sold <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Services performed <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Money loaned <input type="checkbox"/> Other (describe briefly) _____		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Last four digits of your SS #: _____ Unpaid compensation for services performed from _____ to _____ (date) (date)	
2 DATE DEBT WAS INCURRED *		3 IF COURT JUDGMENT, DATE OBTAINED	
4 CLASSIFICATION OF CLAIM Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time case filed. See reverse side for important explanations.			
UNSECURED NONPRIORITY CLAIM <input type="checkbox"/> Check this box if a) there is no collateral or lien securing your claim or b) your claim exceeds the value of the property securing it or c) none or only part of your claim is entitled to priority.		SECURED CLAIM <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief description of collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral \$ _____ Amount of arrearage and other charges at time case filed included in secured claim if any \$ _____	
UNSECURED PRIORITY CLAIM <input type="checkbox"/> Check this box if you have an unsecured claim, all or part of which is entitled to priority. Amount entitled to priority \$ _____ Specify the priority of the claim: _____		<input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal family or household use - 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (____)	
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,000)* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4) <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5)		* Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
5 TOTAL AMOUNT OF CLAIM AT TIME CASE FILED \$ 50,000 (unsecured) \$ _____ (secured) \$ _____ (priority) \$ 53,516 (Total)			
<input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.			
6 CREDITS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.			
7 SUPPORTING DOCUMENTS Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.			
8 DATE-STAMPED COPY To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.			
The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Pacific time, on November 13, 2006, for each person or entity (including individuals, partnerships, corporations, joint ventures, trusts and governmental units). BY MAIL TO BMC Group Attn: USACM Claims Docketing Center P.O. Box 911 El Segundo, CA 90245-0911		THIS SPACE FOR COURT USE ONLY FILED DEC 08 2006 BY HAND OR OVERNIGHT DELIVERY TO BMC Group Attn: USACM Claims Docketing Center 1330 East Franklin Avenue El Segundo, CA 90245	
DATE 12/6/06		SIGN and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any). <i>James W. Shaw</i>	



**USACM Trust
Margarita Annex
Single Loan Claims**

Claim	Date Claim was Filed	Name	Address	Total Claim Amount Relating to the Margarita Annex Loan	Approximate Amount Subject to Objection Because it Relates to an Investment In the Margarita Annex Loan
10725-01618	12/8/2006	Shaw, James W IRA	14225 Prairie Flower Ct. Reno, NV 89511-6710	50,000.00	50,000.00

EXHIBIT A

USA Capital

First Trust Deed Investment

Borrower: JOHN and LYNN KING

Loan Amount: \$ 12,000,000

Rate: 12.0% (net) interest paid monthly

Maturity: 12 months

Collateral: First Deed of Trust on approximately 99.5 acres located San Luis Obispo, California. The property is zoned for 150 lots ranging in size from 5,000 to 6,000 square feet.

The Project: This project, generally known as Margarita Avenue, consists of 150 lots that are currently being mapped; with a final map expected in 1st quarter 2003. There is currently a purchase and sale agreement in place with Midland Pacific Building Corporation, who will purchase 125 lots on completion of final map. Homes will range in size from approximately 1,700 square feet to approximately 2,000 square feet, with pricing from approximately \$400,000 to over \$550,000.

This project has been annexed into the city of San Luis Obispo, and project is well positioned because San Luis Obispo has a dearth of lots due to "growth management" policies. The median home price in San Luis Obispo County is now in excess of \$300,000.

Loan to Value: Approximately 64% based on a third-party purchase and sale agreement with Midland Pacific Building Corporation. The agreement is set at \$125,000 per mapped lot.

About the Borrower: The Borrower on this project is John King, who is a long-time developer and property owner on the California Central Coast. Mr. King has extensive land holdings in the area, including several vacation hotel properties. His reported net worth is in excess of \$70 million.

Tom Hantges

702-734-2400

Joe Milanowski

Licensed by the State of Nevada, Division of Mortgage Lending
USA Commercial Mortgage Company 4444 S. Pecos Rd., Las Vegas NV 89121

License #NAB 02158 7/15/2004

Money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured. Before investing, investors must be provided applicable disclosures.

EXHIBIT B

858-0771

USA Capital

Exit Strategy:

This loan will be sold to a third-party buyer at final map.

Guarantees:

John King and Lynn King will personally guarantee repayment of the loan.

Tom Hantges

702-734-2400

Joe Milanowski

Licensed by the State of Nevada, Division of Mortgage Lending
USA Commercial Mortgage Company 4444 S. Pecos Rd., Las Vegas NV 89121

License #NAB 02158 7/15/2004

Money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured. Before investing, investors must be provided applicable disclosures.

EXHIBIT B

858-0772

**LEWIS
AND
ROCA**
LAWYERS

1901 Howard Hughes Parkway, Suite 600
Las Vegas, NV 89119
Phone: (702) 946-8320
Fax: (702) 946-8321
Email: lewis@lroca.com
Email: roca@lroca.com
John Rinderaker A2 State Bar No. 019024
Email: jrinderac@lroca.com

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE
COMPANY,
USA CAPITAL REALTY ADVISORS,
LLC,¹
USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,
USA CAPITAL FIRST TRUST DEED
FUND, LLC,
USA SECURITIES, LLC,³

Debtors.

Affects:
☒ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR¹
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR²
Case No. BK-S-06-10729-LBR³

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725-LBR

**NOTICE OF HEARING RE
OMNIBUS OBJECTION OF USACM
TRUST TO PROOFS OF CLAIM
BASED UPON INVESTMENT IN
MARGARITA ANNEX LOAN**

Date of Hearing: July 26, 2011
Time of Hearing: 1:30 p.m.
Estimated Time For Hearing: 10 minutes

THE USACM LIQUIDATING TRUST IS OBJECTING TO THE CLAIM
THAT YOU FILED. THE USACM TRUST SEEKS TO DISALLOW YOUR
CLAIM TO THE EXTENT IT IS BASED UPON AN INVESTMENT IN THE
MARGARITA ANNEX LOAN. ~~THE USACM TRUST~~ **CONTENDS THAT YOU**

¹ This bankruptcy case was closed on September 23, 2008.
² This bankruptcy case was closed on October 12, 2007.
³ This bankruptcy case was closed on December 21, 2007.

ORIGINAL OF ECF FILING

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**LEWIS
AND
ROCA**
LAWYERS

DO NOT HAVE A VALID CLAIM BASED UPON YOUR INVESTMENT IN THIS
LOAN BECAUSE YOU TOOK A KNOWN AND OBVIOUS RISK IN MAKING
THAT INVESTMENT AND USACM DID NOT GUARANTEE REPAYMENT OF
THAT LOAN. THIS OBJECTION WILL NOT IMPACT YOUR CLAIM TO THE
EXTENT IT IS BASED UPON AN INVESTMENT IN A DIFFERENT LOAN.
PLEASE DO NOT CONTACT THE CLERK OF THE BANKRUPTCY
COURT TO DISCUSS THE MERITS OF YOUR CLAIM. QUESTIONS
REGARDING THE AMOUNT OF A CLAIM OR THE FILING OF A CLAIM
SHOULD BE DIRECTED TO BRANT FYLLING AT SIERRA GROUP
CONSULTING, LLC (602-424-7009) OR TO UNDERSIGNED COUNSEL, JOHN
HINDERAKER (520-629-4430).

NOTICE IS HEREBY GIVEN that the USACM Liquidating Trust, by and
through its counsel, has filed its Omnibus Objections to Proofs of Claim Based in Whole
or in Part Upon Investment in the Margarita Annex Loan (with Certificate of Service) (the
"Objection"). Your Proof of Claim number and other information regarding your claim is
provided in Exhibit A, attached to the Objection. The USACM Liquidating Trust has
requested that this Court enter an order, pursuant to section 502 of title 11 of the United
States Code (the "Bankruptcy Code") and Rule 3007 of the Federal Rules of Bankruptcy
Procedure (the "Bankruptcy Rules"), disallowing your Proof of Claim to the extent it is
based upon an investment in the Margarita Annex Loan. The Objection will not impact
your Claim to the extent it is based upon an investment in a different loan.

NOTICE IS FURTHER GIVEN that the hearing on the Objection will be held
before the Honorable Linda B. Riegler, U.S. Bankruptcy Court Judge in the Foley Federal
Building, 300 Las Vegas Blvd. South, 3rd Floor, Courtroom No. 1, Las Vegas, Nevada on
July 26, 2011, at the hour of 1:30 p.m.

LEWIS
AND
ROCA
LAW FIRM

NOTICE IS FURTHER GIVEN THAT THE HEARING SET ON JULY 26, 2011, WILL BE HELD FOR THE PURPOSE OF STATUS CHECKS AND SCHEDULING EVIDENTIARY HEARINGS ONLY. NO ARGUMENTS WILL BE HEARD ON THAT DATE.

NOTICE IS FURTHER GIVEN that pursuant to Local Rule 901.4(d), any response to the objection must be filed and service must be completed no later than **fourteen (14) days** preceding the hearing date. The opposition must set forth all relevant facts and any relevant legal authority.

If you object to the relief requested, you must file a **WRITTEN** response to this pleading with the Court. You must also serve your written response on the person who sent you this notice.

If you do not file a written response with the Court, or if you do not serve your written response on the person who sent you this notice, then:

- The Court may refuse to allow you to speak at the scheduled hearing; and
- The Court may rule against you and sustain the objection without formally calling the matter at the hearing.

Dated: June 15, 2011.

LEWIS AND ROCA LLP

By s/John Hinderaker (AZ 18024)
Robert M. Charles, Jr., NV 6593
John Hinderaker, AZ 18024 (pro hac vice)
3993 Howard Hughes Parkway, Suite 600
Las Vegas, Nevada 89169
E-mail: jhinderaker@hlaw.com
Attorneys for the USACM Liquidating Trust

Copy of the foregoing mailed by first class postage prepaid U.S. Mail on June 15, 2011 to all parties listed on Exhibit A attached to the objection.

LEWIS AND ROCA LLP

s/ Matt Burns
Matt Burns

3

2403552.1

Page 1 of 29
File a Notice:

06-10725-lbr USA COMMERCIAL MORTGAGE COMPANY
Type: bk Chapter: 11 v
Assets: y Judge: lbr

Office 2 (Las Vegas)
Case File: EXHS, BARCPA, LEAD,
INTADMN, APPEAL

U.S. Bankruptcy Court

District of Nevada

Notice of Electronic Filing

The following transaction was received from JOHN HINDERAKER entered on 6/15/2011 at 5:36 PM PDT and filed on 6/15/2011

Case Name: USA COMMERCIAL MORTGAGE COMPANY
Case Number: 06-10725-lbr
Document Number: 8468

Docket Text:

Notice of Hearing *Re Omnibus Objections Of USACM Trust To Proof Of Claim Based Upon Investment In Mortgage-Backed Securities* Hearing Date: 07/26/11 Hearing Time: 1:30 p.m. with Certificate of Service Filed by JOHN HINDERAKER on behalf of USACM LIQUIDATING TRUST. (Related document(s) [8462] Objection filed by Interested Party USACM LIQUIDATING TRUST. [8463] Objection filed by Interested Party USACM LIQUIDATING TRUST. [8464] Objection filed by Interested Party USACM LIQUIDATING TRUST. [8465] Objection filed by Interested Party USACM LIQUIDATING TRUST. [8466] Declaration filed by Interested Party USACM LIQUIDATING TRUST. [8467] Declaration filed by Interested Party USACM LIQUIDATING TRUST. (HINDERAKER, JOHN)

The following document(s) are associated with this transaction:

Document description: Main Document

Original filename: C:\kate\pach 2403552.1.pdf

Electronic document Stamp: [STAMP bkectStamp_ID=989: 77934 [Date=6/15/2011] [FileNumber=19722589-0] [134C983498283455c8e8b3d3839] [610c95327c572a5c64590c706144621bdc9] [d3869dbbc7e513c5ceddbd85427c66640d2354b7f066c91720c95e875]]

06-10725-lbr Notice will be electronically mailed to:

MICHELLE L. ABRAMS on behalf of Cross Defendant ROCKLIN/REDDING LLC
mlabr@stanstanko.com

FRANKLIN C. ADAMS on behalf of Creditor JAMES CORISON
franklin.adams@bbklaw.com, arthur.johnson@bbklaw.com

NANCY L. ALLF on behalf of Defendant THE WILD WATER LP
nallf@allf.com

FRANK A. ANDERSON on behalf of Creditor PENSION BENEFIT GUARANTY CORPORATION
frank.anderson@pbgc.gov, ethe@pbgc.gov

OGONNA M. ATAMOH on behalf of Defendant ASHBY USA, LLC
oatamoh@nevadafirm.com,
bkecf@nevadafirm.com, shbero@nevadafirm.com, rholley@nevadafirm.com, vnelson@nevadafirm.com, sdwhinec1@pm:

ION MAXWELL BEATTY on behalf of Interested Party USACM LIQUIDATING TRUST
mbeatty@diamondmccarthy.com

BMC GROUP, INC.
ect@bmcgroup.com, mjoh@bmcgroup.com
https://ecf.nv.uscourts.gov/cgi-bin/Dlgatch.pl?121344989684621

6/15/2011